



Tom Murphy
Tom Murphy • Recorder of Deeds

AMENDED AND RESTATED OIL AND GAS LEASE (PAID UP)

THIS AMENDED AND RESTATED OIL AND GAS LEASE (hereinafter this "**AMENDED AND RESTATED LEASE**") is made as of the 15TH day of OCTOBER, 2009, but shall be effective as of March 11, 2009 the "**EFFECTIVE DATE**", by and between LATROBE SPORTSMEN'S ASSOCIATION, INC., a Pennsylvania non-profit corporation, having its principal place of business at P.O. Box 453, Latrobe, Pennsylvania 15650, collectively known herein as "**LESSOR**", and REX ENERGY I, LLC, a Delaware limited liability company with its principal office located at 476 Rolling Ridge Drive, Suite 300, State College, Pennsylvania 16801 as "**LESSEE**", and collectively as the "**PARTIES**".

RECITALS:

WHEREAS, Lessor and Lessee previously entered into that certain Oil And Gas Lease, dated March 11, 2009, covering 63.80 acres, more or less, which was evidenced by a Memorandum of Lease that was filed for record on March 17, 2009 under Instrument No. 200903170008630 in the Westmoreland County Recorder's Office (hereinafter, called "**ORIGINAL LEASE**"); and

WHEREAS, Lessee previously paid Lessor the sum of One Hundred Fifty-Nine Thousand Five Hundred Dollars (\$159,500.00) as full and complete bonus payment for the Original Lease for the entire primary term of Original Lease, on March 16, 2009; and

WHEREAS, pursuant to Paragraph 3 of the Original Lease, Lessor had the option to commission an ALTA survey of the Leasehold Estate within one (1) year of both Parties execution of the Original Lease; and

WHEREAS, Lessor commissioned said survey as shown on that certain Map of Survey, dated August 20, 2009 by Ross Surveying, Inc., the results of which demonstrated that the property covered by the Leasehold Estate is actually found to be 65.08 acres, rather than the 63.80 acres originally thought and indicated in the Original Lease; and

WHEREAS, pursuant to the last sentence of Paragraph 3 of the Original Lease, Lessor and Lessee agreed that if the survey determines that the Leasehold Estate is greater than 63.80 acres, Lessee agrees to adjust the paid-up amount by Two Thousand Five Hundred Dollars (\$2,500.00) per each additional acre; and

WHEREAS, the amount now owing to Lessor pursuant to Paragraph 3 of the Original Lease is \$3,200.00; and

WHEREAS, Lessor and Lessee also desire to amend Paragraph 2 of the Original Lease by adding the following language in the second line of that Paragraph 2, immediately following the clause "...and as long thereafter as..." "**oil or gas or related hydrocarbons are produced or**"; and

WHEREAS, the Lessor and the Lessee desire to further amend the Original Lease as set forth herein, and, for ease of reference, to restate the Original Lease in its entirety.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Lessor, for and in consideration of One (\$1.00) Dollar, and other good and valuable consideration, the receipt of which is hereby acknowledged, and the covenants and agreements of the Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land described below, including all interests therein Lessor may acquire by operation of law, reversion or otherwise, (herein called the "Leasehold Estate"), exclusively, for the purposes of exploring by geophysical and other methods, drilling, operating for and producing oil and/or gas and related hydrocarbons from any strata and any depth, (not to include any rights to coal seam gas or coalbed methane gas), together with all rights, privileges and easements (which includes the right of ingress and egress over, under and through said leased premises) useful or convenient in connection with the treating, caring for, transporting and removing oil and/or gas and related hydrocarbons for only the oil and/or gas produced from the Leasehold Estate and/or other lands only if pooled or unitized therewith (not to include any rights to coal seam gas or coalbed methane gas) rights to lay pipelines, build roads, drill,

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establish and utilize wells and construct tanks, power and communication lines, pump and power stations, and other structures and facilities for related hydrocarbons for only the oil and/or gas produced from the Leasehold Estate and/or other lands only if pooled or unitized therewith. The Leasehold Estate is located in Derry Township, County of Westmoreland, Commonwealth of Pennsylvania described now or formerly as follows.

TAX MAP PARCEL #: 45-23-00-0-006

On the North by: McCullough Road
On the East by Lands of: R. Panizzi
On the South by Lands of: R. Panizzi
On the West by Lands of: K. Kiser; J. Novak

being all the property owned by Lessor or to which the Lessor may have any rights in said Township or adjoining Townships, containing **65.08** acres, more or less, and being the property described in Instrument Number: 200909250039008 of the Westmoreland County Record of Deeds.

Containing **65.08** acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above that are owned or claimed by Lessor, or to which Lessor has a preferential right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this Amended and Restated Lease shall mean crude oil and other hydrocarbons, regardless of gravity, produced at the well in liquid form by ordinary production methods, including condensate separated from gas at the well. The term "gas" when used in this Amended and Restated Lease shall mean a mixture of hydrocarbons and of non-hydrocarbons in a gaseous state from any underground strata which may or may not be associated with oil, coal, shale, and including coal bed methane and shale gas and those liquids resulting from condensation of gas after it leaves the underground reservoir.

2. It is agreed that this Amended and Restated Lease shall remain in force for a primary term of **FIVE (5) YEARS** from the Effective Date, and as long thereafter as oil or gas or related hydrocarbons are produced or operations are conducted upon the Leasehold Estate or on lands pooled or unitized therewith with no cessation for more than ninety (90) consecutive days. If operations commenced during the primary term are discontinued less than ninety (90) days before the end of the term, this Amended and Restated Lease shall not terminate at the end of the primary term if operations are again conducted within ninety (90) days after the discontinuance. Whenever used in this Amended and Restated Lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, coring, drilling, testing, completing, equipping, reworking, recompleting, deepening, plugging back, de-watering, or repairing of a well in search for or in an endeavor to obtain production of oil and/or gas, whether or not in paying quantities.

3. Within ten (10) banking days from the date of Lessee's execution of this Amended and Restated Lease, Lessee agrees to pay to the Lessor the sum **THREE THOUSAND TWO HUNDRED DOLLARS (\$3,200.00)** as full and complete bonus payment for this Amended and Restated Lease for the entire primary term of this Amended and Restated Lease. This is a paid-up Amended and Restated Lease and no delay rentals shall be due. The bonus paid hereunder is the full consideration for the entire term of this Amended and Restated Lease and shall not be allocated as mere rental for a period. Lessor acknowledges receipt of Lessee's prior payment in the amount of **ONE HUNDRED FIFTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$159,500.00)** as the full and complete bonus payment for the Original Lease.

4. Lessee covenants and agrees to pay the following royalties: (a) Lessee may sell the oil produced and saved from the Leasehold Estate and pay Lessor sixteen percent (16%) of the net amount realized by Lessee, computed at the wellhead; and (b) to pay Lessor on gas produced from the Leasehold Estate: (1) when sold by Lessee, sixteen percent (16%) of the net amount realized by Lessee, computed at the wellhead; or (2) when used by Lessee for purposes other than those specified in Paragraph 8 of this Amended and Restated Lease, sixteen percent (16%) of the net market value at the wellhead of the gas so used. As used in this Amended and Restated Lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale. The term "net market value at the wellhead" shall mean the current market value (at the time of production) of the gas at a market point where gas produced in the general area is commonly purchased and sold, minus the post-production costs that would be incurred by Lessee between the wellhead and such market point in order to realize that market value. Prior to payment of royalty, Lessor shall execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fees levied upon the Oil and Gas produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a

proportionate share of the amount so paid from any monies payable to Lessor hereunder. All payments under this Amended and Restated Lease shall be made by check to the order of, and shall be mailed to: **LATROBE SPORTSMEN'S ASSOCIATION, INC., P.O. BOX 453, LATROBE, PENNSYLVANIA 15650** until the Lessee shall have written notice from the Lessor, or its successors or assigns, accompanied by original or certified copies of deeds or other documents as Lessee may require, evidencing such change of ownership and directing payments to be made otherwise, and any payments made as above until such direction, and thereafter in accordance with such direction, shall absolve the Lessee from any liability to a successor or assign of the Lessor.

5. If all wells capable of producing oil and/or gas, whether or not in paying quantities, located on the Leasehold Estate, or on lands pooled or unitized with all or part of the Leasehold Estate, are shut in, then within sixty (60) days after expiration of each period of one (1) year in length ("Annual Period") during which all such wells are shut in Lessee shall be obligated to pay or tender the sum of ten (\$10.00) dollars multiplied by the number of acres subject to this Amended and Restated Lease which will continue this Amended and Restated Lease in force while all wells are shut in notwithstanding expiration of the primary term, provided however that if production from a well or wells located on the Leasehold Estate or on lands pooled or unitized therewith is sold or used off the premises before the end of any such period or if at the end of any such Annual Period this Amended and Restated Lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that Annual Period. This shut-in royalty payment may be made in currency, draft or check, at the option of Lessee, and the depositing of such payment in any post office, with sufficient postage and properly addressed to Lessor, or designated agent, within sixty (60) days after the expiration of the Annual Period shall be deemed sufficient payment as herein provided.

6. If Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall give written notice to Lessee specifically describing Lessee's non-compliance. Lessee shall then have sixty (60) days from receipt of such notice to commence, and shall thereafter pursue with reasonable diligence, such action as may be necessary or proper to satisfy such obligation of Lessee, if any, with respect to Lessor's notice. Neither the service of said notice nor the doing of any acts by Lessee in response thereto shall be deemed an admission or create a presumption that Lessee has failed to perform all its obligations hereunder. No judicial action may be commenced by Lessor for forfeiture of this Amended and Restated Lease or for damages until after said sixty (60) day period. Lessee shall be given a reasonable opportunity after a final court determination to prevent forfeiture by discharging its express or implied obligation as established by the court. If this Amended and Restated Lease is canceled for any cause, it shall, nevertheless remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by Lessee in such shape as then existing spacing rules permit and (b) any part of the Leasehold Estate included in a pooled or unitized unit on which there are operations. Lessee shall also have such easements on the Leasehold Estate as are necessary or convenient for operations on the acreage so retained.

7. If this Amended and Restated Lease covers less than the entire undivided interest in the oil and gas in the Leasehold Estate (whether Lessor's interest is herein specified or not), then the royalties and shut-in royalties payments shall be paid to Lessor only in the proportion which the interest in oil and gas covered by this Amended and Restated Lease bears to the entire undivided interest therein.

8. Lessee shall have the right to use, free of cost, gas or oil produced and/or located on the Leasehold Estate that are subject to this Amended and Restated Lease, for Lessee's operations hereunder. Lessee shall not have the right to use any water from Lessor's ponds, creeks or springs upon the Leasehold Estate unless Lessee first obtains Lessor's prior written consent thereto. Lessee agrees to bring any water it needs for activities upon the Leasehold Estate from off-lease but may store said water in appropriately contained surface impoundments upon the Leasehold Estate. When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth. No well shall be drilled nearer than two hundred (200) feet from any house now on the Leasehold Estate without written consent of Lessor. Lessee shall have the right at any time to remove all machinery and fixtures placed on the Leasehold Estate, including the right to draw and remove casing and any other downhole equipment and fixtures. Lessee shall not have the right to remove soil and stone from the Leasehold Estate for use off the Leasehold Estate. Lessee agrees to pay Lessor for actual damages to any livestock, crops, fences, roads, culverts, drainage tiles, and other improvements located on the Leasehold Estate resulting from Lessee's operations conducted thereon. If any part of the Leasehold Estate is underlain by drainage tile, Lessor agrees to provide Lessee with any personal knowledge or maps which may help in locating such drainage tile. Lessee further agrees that within a reasonable period of time after the drilling of a well (should drilling be unsuccessful) or the abandonment of a well, to

restore the surface of the drilling, or producing location, including the removal of all equipment installed by Lessee, to as near as practical its original condition.

9. Lessee is hereby granted the rights to pool or unitize the Leasehold Estate, or any part of the Leasehold Estate, with other lands, as to any or all minerals or horizons, to establish units for the following production: units up to, but not more than, approximately six hundred forty (640) contiguous acres, plus a tolerance of ten percent (10%) thereof, for the production of oil, gas, and its associated products. If units larger than those permitted above, either at the time established or thereafter, are required or permitted under any governmental rule or order to drill or operate a well at a regular location, to obtain the maximum allowable from any well or for any other reason, then the maximum unit size authorized hereby shall conform to the size required or permitted by such governmental rule or order. Lessee may enlarge the unit to the maximum area permitted herein and may reform said unit to include after-acquired leases within the unit area. Lessee may create, enlarge or reform the unit or units as above provided at any time, and from time to time during the continuance of this Amended and Restated Lease, either before or after production is obtained. A unit established hereunder shall be effective for all purposes of this Amended and Restated Lease, whether or not all interests in the lands in the unit are effectively pooled or unitized. Lessee may, but shall not be required to, drill more than one well in each unit. Lessee may reduce or terminate such unit or units at any time prior to the discovery of oil or gas on the pooled or unitized lands, or at any time after discovery subsequent to the cessation of production. Lessee may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which such unit is located. Any operations conducted on any part of the lands pooled, unitized, or declared shall be deemed to be on the lands leased herein within the meaning of all provisions of this Amended and Restated Lease. Production of oil and/or gas from the unit shall be allocated to the Leasehold Estate described herein which are included in the unit in the same proportion as the number of surface acres in the Leasehold Estate described herein which are included in the unit bears to the total number of surface acres in the unit.

10. This Amended and Restated Lease is subject to laws and to rules, regulations and orders of any governmental agency having jurisdiction, from time to time in effect, pertaining to well spacing, pooling, unitization, drilling or production units, or use of related material and equipment.

11. If, after the date hereof, the Leasehold Estate shall be conveyed in severalty or in separate tracts, then the Leasehold Estate shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit as designated in Paragraph 9 above.

12. If Lessee is prevented from, or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within Lessee's control, this Amended and Restated Lease shall not terminate and Lessee shall not be liable in damages so long as said circumstances continue (the "Period of Suspension"). These circumstances include, but are not limited to the following: conflict with federal, state or local laws, rules, regulations and executive orders; acts of God; strikes; lockouts; riots; wars; sabotage; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by Lessee; equipment failures; the inability to gain necessary access or obtain easements; the inability to obtain necessary services, water or fuel; the failure of purchasers or carriers to take or transport production; the inability to obtain materials in the open market or to transport said materials or by any other cause not reasonably within Lessee's control. If the Period of Suspension commences more than ninety (90) days prior to the end of the primary term of this Amended and Restated Lease, then that Period of Suspension shall be added to the primary term. If the Period of Suspension commences less than ninety (90) days prior to the end of the primary term or at any time after the primary term, then this Amended and Restated Lease shall not terminate if Lessee shall commence or resume operations within ninety (90) days after the end of the Period of Suspension.

13. If the oil and gas interests of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this Amended and Restated Lease shall extend to such party's successors and assigns. Notwithstanding any other actual or constructive knowledge of Lessee, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on Lessee until forty-five (45) days after Lessee has received, by certified mail, written notice of such change and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of Lessee to establish the validity of such change of ownership or division of interest. No change or division in the ownership of the Leasehold Estate, royalties or other monies, or any part thereof, however accomplished, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, rights and obligations relating to the location and drilling of wells and the

measurement of production. Upon assignment by Lessee, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this Amended and Restated Lease, express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this Amended and Restated Lease shall not defeat or affect the rights of the owner(s) of any other part.

14. Lessor hereby warrants that Lessor is not currently receiving any bonus, rental or production royalty as the result of any prior oil and gas lease covering any or all of the Leasehold Estate, and that there are no commercially producing wells currently existing on Leasehold Estate, or upon other lands within the boundaries of a drilling or production unit unitizing all or a part of the Leasehold Estate. Lessor also warrants that there is no currently existing water disposal well(s) and/or gas storage wells existing on the Leasehold Estate.

15. Lessor warrants and agrees to defend the title to the Leasehold Estate by, through and under Lessor only, and further covenants that Lessee will have quiet enjoyment under this Amended and Restated Lease, covenants that Lessee shall have the benefit of the doctrine of after-acquired title, and covenants that Lessee, at its option, may discharge any tax, mortgage, or other lien on the Leasehold Estate in the event of default in payment by Lessor, and be subrogated to the rights of the holder of a mortgage or lien with the right to enforce same and apply royalties and payments accruing under this Amended and Restated Lease toward satisfying same. Without impairment of Lessee's rights under this warranty in event of failure of title, it is agreed that if Lessor owns an interest in the Leasehold Estate, less than the entire oil and gas estate covered by this Amended and Restated Lease, then the rentals and royalties to be paid Lessor shall be reduced proportionately. This Amended and Restated Lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

16. Lessee may, at any time surrender this Amended and Restated Lease as to all or any part of the Leasehold Estate, by delivering or mailing a release to Lessor if this Amended and Restated Lease is not recorded, or by placing a release of record in the proper county if this Amended and Restated Lease is recorded. If this Amended and Restated Lease is surrendered only as to part of the Leasehold Estate, any shut-in royalties which may thereafter be payable hereunder shall be reduced proportionately. Lessee additionally agrees to record a release of the herein Amended and Restated Lease or any part thereof, as the case may be in the local county courthouse records after the Amended and Restated Lease or portion of Amended and Restated Lease has terminated and only after Lessor has made a written request of Lessee to file such release. Lessee shall within thirty (30) days of receiving such written notice file such release in the appropriate county official records.

17. Failure to pay or an error in paying any rental or other payment due Lessor shall not constitute a ground for forfeiture of this Amended and Restated Lease and shall not affect Lessee's obligation to make a payment, but Lessee shall not be considered in default on account of a failure or error until Lessor has first given Lessee written notice of the non-payment and Lessee shall have failed for a period of thirty (30) days after receipt of the notice to make the payment.

18. All written notices permitted or required by this Amended and Restated Lease to be given Lessor and Lessee herein shall be at their respective addresses listed hereinabove, and shall be by certified United States mail, and shall identify this Amended and Restated Lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.

19. It is hereby agreed by and between Lessor and Lessee that Lessor shall not be responsible, or liable, for any costs and/or actions, of any kind, resulting from Lessee's operations conducted upon Leasehold Estate.

20. Lessor and Lessee herein agree that any well locations, access roads, pipelines, compressors, meters, stations, or facilities of any kind that are planned to be constructed upon the lands of Lessor covered by this Amended and Restated Lease are subject to Lessor's prior written consent, which consent shall not be unreasonably withheld. Lessee agrees to provide Lessor with a written explanation and a map depicting any planned surface activities or facilities construction and Lessor will have thirty (30) days from its receipt of that written request and map to contact Lessee with its response thereto. If Lessor does not respond in writing to Lessee within the stated thirty (30) day response period with an approval or denial, it will be considered that Lessor does not object to Lessee's planned activity and construction and Lessee may proceed with its surface activity as if such consent had been granted.

21. If requested by Lessor, Lessee shall install and maintain a gate across any road situated upon the lands of Lessor that accesses any facility of Lessee upon the Leasehold Estate. In the event a gate is installed by Lessee it shall keep

the gate locked at all times and will further provide a key to Lessor so that only Lessor or its designated officers, agents or assigns and Lessee, its designated contractors, agents or assigns shall have access through the gate.

22. If Lessor decides to raise livestock at any time in the future upon the Leasehold Estate, Lessor may request Lessee to fence all drillsite pits, tanks, wellheads and install cattle guards at Lessee's sole cost and expense, for the purpose of keeping livestock away from Lessee's facilities.

23. Prior to the commencement of any operations upon the Leasehold Estate, Lessee shall provide Lessor written notice of its desire to commence said operations. Lessor shall then have twenty (20) days to remove any timber over six (6") inches in diameter ("Marketable Timber"). In the event Grantor chooses not to remove the Marketable Timber prior to commencement of Lessee's operations then Lessee agrees any trees cut during operations that are Marketable Timber shall be stacked at a nearby location on the Leasehold Estate.

24. In the event Lessee physically drills a well upon the herein Leasehold Estate and such well is placed into production as a commercially productive gas well, Lessor shall be granted an "in lieu" payment at the equivalent value of 300,000 cubic feet of free gas per calendar year, pro-rated on the actual number of months during the year in which the well actually produced gas. The "in lieu" payment shall be paid annually by Lessee on or before the end of the first quarter of each subsequent calendar year. It is to be understood that the "in lieu" payment shall only be paid to Lessor if the physical surface location of a well is located upon the Leasehold Estate and Lessor owns a dwelling, structure or facility capable of utilizing gas upon the Leasehold Estate.

25. Lessee agrees to indemnify, protect, save harmless and defend Lessor from and against any claim or expense, including without limitation claims for injury or death to persons or damage to property occurring as a direct result of Lessee's operations upon the Leasehold Estate, except to the extent any such damage or injury is caused by or results from Lessor's negligence.

26. Lessee agrees to carry sufficient liability insurance and environmental hazard insurance required of a company operating in the Commonwealth of Pennsylvania in the oil and gas exploration industry such that Lessor's interests are adequately covered upon the Leasehold Estate.

27. In the event Lessee drills a well(s) upon the Leasehold Estate or upon a unit that includes the Leasehold Estate to a depth of less than three thousand (3,000) feet on or before the end of the primary term of the Amended and Restated Lease, Lessee agrees to release all those depths and zones lying below one hundred (100) feet below the deepest producing horizon in that well as to the herein Leasehold Estate.

28. Within one (1) year of the drilling of a well by Lessee upon the Leasehold Estate and only upon Lessor's written request, Lessee agrees to install a fence or plant a row of trees or shrubs sufficient to adequately screen one side of such wellsite as designated by Lessor. Once installed by Lessee, there shall be no further upkeep undertaken by Lessee to maintain such fence or planting and no compensation given in kind for such maintenance to Lessor from Lessee.

29. Lessee does not have the right to drill underground gas or oil storage wells or to drill a saltwater or brine disposal wells or to convert an existing well(s) to any of the above wells upon the Leasehold Estate.

30. The rights, obligations and remedies herein provided shall be in addition to the rights, obligations and remedies as may from time to time be provided by law, and neither the within Amended and Restated Lease nor such law or laws shall be construed to limit, restrict or waive the application of the other.

31. Lessor shall have the right once per calendar year to examine and audit the records of Lessee relative to any payments made to Lessor over a previous calendar year, by giving written notice to Lessee at least thirty (30) days prior to the time Lessor wishes to examine and audit said records. The examination and audit will be conducted at Lessee's place of business where the records relating to payments are kept, during normal business hours. All expenses associated with Lessor's examination and audit shall be paid for solely by Lessor.

32. Lessee agrees to conduct its operations in conformance with any and all regulations governing oil and gas operations within the Commonwealth of Pennsylvania and will further operate in compliance with any local governing bodies or municipalities that may impose any additional regulations regarding oil and gas development within the Commonwealth.

33. In the event the Pennsylvania Tax Code provides for an increase in ad valorem taxes attributable to or resulting from the assessment of oil and gas production from the herein Leasehold Estate, Lessor and Lessee shall, pursuant to such law, share in their respective proportionate taxable amounts as called for in the code. Additionally, Lessee agrees that if any penalty, rollback or re-capture of tax abatements created or imposed under any governmental program such as, but not limited to, CREP, CRP and Clean and Green that is levied on Lessor solely as a result of Lessee's Operations on the Leasehold Estate, Lessee agrees to reimburse Lessor for the total amount of the penalties within thirty (30) days of receiving Lessor's written copy of the penalty notice and assessment.

34. This Amended and Restated Oil and Gas Lease shall be deemed to be accepted by the Lessee upon execution by the undersigned duly authorized officer of the Lessee on the date specified below.

Executed by the Lessor as of the day and year first above written.

ATTEST:

LESSOR: LATROBE SPORTSMEN'S ASSOCIATION, INC.

Paula L Aldom
Name:

By: Conrad J. Stumpf
Name: Conrad J. Stumpf
Its: President

Paula L Aldom
Name:

By: Philip W. Cravener
Name: Philip W. Cravener
Its: Secretary

ATTEST:

LESSEE: REX ENERGY I, LLC

Daniel T. Sweeney
Name: Daniel T. Sweeney

By: Bernard J. Uliney
Name: Bernard J. Uliney
Its: Vice President, Land Manager

11/23/09
Date

LESSOR:

Instr: 201001120001118 01/12/2010
P: 8 of 8 F: \$52.00 11:37AM
Tom Murphy T20100001683
Westmoreland County RecorderP

CORPORATE ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF WESTMORELAND)

On this the 21st day of October, 2009, before me, the undersigned authority, personally appeared Conrad J. Stumpf, who acknowledged himself to be the President of Latrobe Sportsmen's Association, Inc., and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Zlata V. Ryan
, Notary Public

CORPORATE ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF WESTMORELAND)

On this the 21st day of October, 2009, before me, the undersigned authority, personally appeared Philip W. Cravener, who acknowledged himself to be the Secretary of Latrobe Sportsmen's Association, Inc., and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Zlata V. Ryan
, Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Zlata V. Ryan, Notary Public
Ligonier Boro, Westmoreland County
My Commission Expires Nov. 26, 2012
Member, Pennsylvania Association of Notaries

LESSEE:

CORPORATE ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF CENTRE)

On this the 23rd day of October, 2009, before me, the undersigned authority, personally appeared Bernard J. Ulincy, who acknowledged himself to be the Vice President, Land Manager of Rex Energy I, LLC, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such Vice President, Land Manager.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Theresa M. Corle
, Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Theresa M. Corle, Notary Public
College Twp., Centre County
My Commission Expires June 22, 2012
Member, Pennsylvania Association of Notaries

